



Finance and Operations Committee Minutes
May 13, 2015

Attending Committee Members:	Jeff Hawker	Larry Ellertson		
Missing Committee Members:	Chris Sloan			
Other Board Members Present:	Dannie McConkie	H. David Burton	Chris Bleak	Matt Bell
	Robert Hunter			
Attending Staff:	Michael Allegra	Robert Biles	Jerry Benson	Steve Meyer
	Dave Goeres	Matt Sibul	Jayne Blakesley	Todd Provost
	Ryan Taylor	Erika Shubin	Jacob Splan	Richard Swenson
	Jim Bean	Rebecca Cruz	Cathie Griffiths	Remi Barron

Visitors: Jason Lee (Deseret News)

Committee Chair Jeff Hawker opened the meeting at 12:00 p.m. and appointed all visiting trustees as voting committee members for the meeting.

Review of March Performance Dashboard & Financial Statements

Robert Biles, UTA Vice President and Chief Financial Officer, who presented the March 2015 financials and performance dashboards.

Financials:

- Sales tax growth over the last 12 months has been 5.34%. YTD Actual of \$15.8 million is below the goal of \$16.6 million.
- YTD Fare Revenue of \$12.5 million is \$420,000 above the goal of \$12.1 million.
- YTD Operating Expenses of \$53.9 million is below budget of \$59.8 million; in large part due to fuel savings and \$1.2 million in warranty recovery.
- YTD IPR of \$3.58 is better than the goal of \$4.01.
- YTD Ridership of 11.6 million is 1.2% below what it was at the same time last year.
- YTD Diesel Price of \$1.88 is below the budget of \$3.30. The current price for CNG fuel is \$2.22.

Board Goals:

- Ridership YTD is 1.2% below than the same period in 2014.
- The customer satisfaction indicators have been determined.
- Local revenue received to date is \$8.04 million, the goal is \$13.5 million
- Everything is in place for the federal small starts revenue for the Provo/Orem BRT, just waiting for FTA grant award.
- TOD Sites – two of the three sites are progressing
- Continuing work on the go/no-go decision on distanced-based fare

Board Vice-Chair Chris Bleak inquired about the sales tax growth being low. Mr. Biles explained the sales tax information is always two months behind. He went on to point out that the sales tax growth over the last 12 months has been 5.34% so he's optimistic things will improve and level off by the summer.

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Trustee Larry Ellertson pointed out the YTD Sales Tax figures on the dashboard are incorrect. Mr. Biles stated he'll make sure it gets corrected in time for the Executive Committee meeting.

A motion to forward the March performance dashboards and financial statements to the board was made by Trustee Larry Ellertson and seconded by Board Vice Chair Chris Bleak. The motion carried by unanimous vote.

Board Process Policy 4.1.12 Annual Strategic Leadership Objectives

Chair Hawker presented.

- At the direction of Board Chair H. David Burton, trustees and staff created a framework for goal setting and review.
- A document outlining the framework was distributed in the F&O Committee Meeting packet.
- Chair Hawker specifically commented on #4, which states that goals *"Be weighted by the Board based on the relative importance of the annual objectives. Assigned weighting may vary from 5 to 25 points with a total points equaling 100"* and asked the trustees for their opinion on capping ridership at 25%.
 - Trustee Ellertson cautioned about being so specific on everything being done in the organization and suggested including a subjective measure (as there may be something good or bad that happens to cause the end result). Trustee Ellertson went on to reiterate the objective of #1 being the most important objective (*"Be mission critical and advance core strategic objectives or address a current need"*).
 - Vice Chair Bleak stated he agrees with Chair Hawker, that as a Board they'd want to keep the points to equal 100 and weighing within that. However, he also agrees with Trustee Ellertson and wants to be fair to the staff but is struggling with how to determine something that can't be measured.
 - Trustee Dannie McConkie suggested goal weighting could be based on the ROI (Return on Investment); the time spent, manpower and effort made to get there.
 - Matt Sibul, UTA Chief Planning Officer suggested a process being used by the Planning and Development Committee which allows for flexibility. Core Goals (heavier goals) vs. Strategic Goals (open every year, focuses on efforts, etc.) which allows for the element of subjectivity. Mr. Biles stated, that was the intent of #1.

A motion to forward Board Process Policy 4.1.12 Annual Strategic Leadership Objectives; with a change to the second line of item #4 to read "Assigned weighting may vary with total points equaling 100", to the board was made by Board Vice Chair Bleak and seconded by Trustee Ellertson. The motion carried by unanimous vote.

Approve April 8, 2015 Meeting Report

A motion to approve the April 8, 2015 meeting report was made by Trustee Ellertson and seconded by Trustee Dannie McConkie. The motion carried by unanimous vote.

CNG Update

Jacob Splan, UTA Engineering and Construction Planner presented.

- Demolition of the existing site is 95% complete.
- The fuel and fare building is 75% complete. Roof is complete.
- Preparing site for asphalt. Soils issues have been resolved.
- Compressor station is 85% complete. Going through pressure testing.
- CNG pipeline is 100% complete and ready to be energized.

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- Delivery of CNG buses will begin in August. Total of 23 to be delivered in 2015.
- Research on Potential CNG Partnerships
 - Across the Nation there has been growth in CNG and public-private partnerships around this resource
 - UTA has been researching potential scenarios applicable to our specific needs, service, and community
 - UTA is preparing an outline to solicit a Request for Information (RFI) on how private industry can best partner with our needs
 - This non-binding process will allow UTA to learn from Industry leaders to better inform our future strategy in propulsion diversification
- Next Steps:
 - Complete and open the new CNG Fuel and Fare building in Summer 2015
 - Delivery of new CNG bus and fleet vehicles to replace oldest and dirtiest diesel buses
 - Complete the RFI process in the next 90 days and determine what a potential partnership could bring to the table
 - Refine and present potential scenarios to the Board and Committees for consideration

Board Chair Burton asked what the fare building is. Mr. Splan explained it's where the collected fares are counted and stored. Mike Allegra, President and CEO explained it's a secure area without windows and will be monitored by a security camera.

Trustee Ellertson asked if others will be able to use UTA's CNG fueling station. Mr. Allegra explained there are other opportunities but there are challenges related to costs and taxes. The RFI is addressing some of these issues.

Required Reserves

In response to a request by Trustee Ellertson, Mr. Biles and Richard Swenson, UTA Finance Services Manager and Deputy Treasurer presented a summary on the three types of reserve accounts:

- Bond Reserves – Total of \$43.1 million
 - Debt Service Reserve Funds – Senior and Subordinate
 - Both accounts are used for the payment of debt services in the event that UTA fails to make payments. The senior account is not deal specific, the subordinate account is deal specific.
 - The accounts are housed with the Bond Trustee
- Board Reserves – Total of \$47.2 million
 - Accounts are set up per Board action
 - Accounts consist of the:
 - Debt Service Reserve and Rate Stabilization Fund – May be used for early debt retirement, payments on variable rate debt when rates spike, payment of debt service if needed, to fund a new bond reserve, or for other use as determined by UTA's Board

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- Service Stabilization Fund – Used to avoid service reductions at such times as UTA faces a revenue shortfall or cost overrun due to extraordinary circumstances.
- Working Capital Reserve – Used to make sure cash flow needs can be met in case revenues/grant payments are delayed.
- Risk Contingency Fund – Used to support UTA’s self-insurance program.
- Funds are tracked on the General Ledger and or are housed in the PTIF (Public Treasurers’ Investment Fund) account.
- Staff Reserves – Total of \$4.4 million
 - Fuel Reserve – Reserve to offset rising fuel prices
 - Parts Reserve - Reserve for anticipated State of Good Repair initiative
 - Accounts are tracked on the General Ledger
- Total Reserves of \$94.8 million

Board Vice Chair Bleak asked about the Pension. Mr. Biles explained the pension is a different entity from the Reserves and has a current balance of \$150 million (58% of current liability).

Mr. Benson explained the Service Sustainability Fund was created in 2008 when headed into a recession and UTA had to meet every quarter to redo its budget and operations plan. It was a prudent move at the time but Mr. Benson and Mr. Biles are now recommending the Board take a look at the account. The problem however, is its one time funds.

- Trustee Ellertson likes having the money there
- Board Vice Chair Bleak expressed he isn’t opposed to lowering the amount but suggested finding a way to drive ongoing funds into the account and taking out the one time money. He suggested possibly allocating a certain percentage of sales tax to go into the fund.

Board Vice Chair Bleak asked if any funds are going into the Debt Service and Rate Stabilization funds. Mr. Biles explained that there are – about \$3.5 million will be deposited into it this year.

Preliminary New Service Concepts

Matt Sibul, UTA Chief Planning Officer and Jerry Benson, UTA Vice President of Operations gave a presentation on Transit Initiatives with Additional Local Option Funding, specifically mentioning:

- Public Opinion of UTA
 - 80% Satisfied or somewhat satisfied with the direction public transit is going
- UTA’s Efficient Use of Funding
 - UTA is providing more service per dollar than any other transit agency. commitment to provide more service
- What do customers want?
 - Reasonable Fares
 - Frequent Service
 - Good Coverage
 - Reliability
 - Real Time Information
 - Safety
 - Station/Stop Comfort

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- On Board Amenities
- Travel Time
- Service Requests, 2004 – 2014 (Approximates of the four highest received comments)
 - Time Schedule – 8500
 - Routing – 9500
 - Overcrowded – 2500
 - New Service Area - 990
- How Well Connected is the Current System
 - A 2015 System map was displayed showing the current bus and rail routes
 - Riders want core routes to be more frequent and cover more areas
- Current Transit System Opportunities
 - More Frequency Needed
 - Core Network Expansion
 - More Span of Service
 - Early Morning
 - Late Night
 - More Weekend Service
 - Reduce Crowding on Peak Trips
 - Reduce Travel Time
 - More dedicated transit corridors and intersection priority for transit vehicles
 - Less circuitous routing
- HB 362 and the Unified Transportation Plan.
 - Comprehensive
 - State Roads
 - Local Roads (City and County)
 - Transit
 - The 1/10th cent for transit in HB 362 is approximately a 13% increase in UTA funding
- Overview of Additional Local Option Transit Priorities
 - Added Bus Frequency
 - High Ridership Corridors
 - Longer Span of Service
 - More Weekend Service
 - Expanded TRAX Service on Sundays
 - Additional Streetcar Service
- Service Oriented Capital Investments
 - Purchase new buses
 - Bus stops, amenities, shared initiatives
 - Wayfinding improvements
 - Right-of-Way preservation
- Bus and rail service improvements
 - 15% more weekday and 20% more weekend TRAX service to the airport
 - Number of routes that run until midnight: Increase from 1 to 19
 - 30% increase in the number of core bus routes
 - At COG meetings, started to identify underserved areas
- Additional Considerations
 - FrontRunner: Regional Service
 - Leveraging of ALL Local Option Sources
 - Baseline Scenario and Planned Bus System Revisions – it can't all happen all at once

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- Feedback and Outreach Partners
 - Councils of Governments - At COG meetings, started to identify underserved areas
 - Transportation Coalition
 - ULCT
 - UAC
 - City/County Councils
 - Online priorities survey (Open UTA)
- Your Thoughts?
 - Trustee Ellertson suggested getting input from constituents before rolling out the plan. Mr. Benson explained UTA is engaging with local communities on priorities and will be going back to the COG's for input
 - Mr. Allegra informed the Committee that the UTA has created savings that will be used in August to increase service. There will also be positive changes to the Group Pass (lower cost) and FAREPAY has been extended.

Tooele County Services

Ryan Taylor, UTA Coordinated Mobility Manager presented.

- UTA Tooele County Service
 - Tooele to SLC
 - 451(Express) - 10 daily trips/5 each direction
 - 453 - 12 daily trips/6 each direction
 - Grantsville to SLC
 - 454 - 2 daily trips/1 each direction
 - Grantsville to Tooele Flex
 - F-401 - 26 daily trips/13 each direction
 - Tooele Flex
 - F-400 - 26 daily trips/13 each direction
 - Services the Tooele Applied Technology College, low income housing, Walmart, hospital and the Tooele park and ride lot
- Coordination with other Tooele transportation services
 - Operate UTA F-Routes (UTA Funds, Tooele county funds the other three listed)
 - Senior Dial-a-Ride program
 - Medical Transportation
 - Senior Pick-Me-Up
- Proposed Grantsville/Tooele F-Route Service changes
 - F-401 Grantsville to Tooele route – Underperforming
 - Was scheduled to be altered/canceled April 2013
 - Commitment from mayor and those at public hearing to boost ridership
 - Ridership has decreased
 - Engage Stakeholders
 - Grantsville Mayor
 - County Commissioners
 - Tooele Transportation (run by Tooele Aging Services)
 - TATC
 - USU Extension
 - DWS

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- UTA
- F-Route operators
- Recommendations
 - Utilize existing UTA operation budget – no increase
 - Expand F-401 Grantsville commuter trips – connection to SLC
 - Additional trips (one am and one pm)
 - Replace hourly Grantsville to Tooele trips with demand response – operated by Tooele
 - Expand Tooele F-400 Route coverage
 - Marketing
 - Survey
- Grantsville Demand Response
- Next Steps
 - Complete details of demand response service
 - Update stakeholder group
 - Schedule and hold public hearing
 - Implement in August

Mobility Management

Ryan Taylor, UTA Coordinated Mobility Manager presented.

- Coordinated Mobility Management is coordinating resources among human service entities to efficiently maximize transportation for seniors, persons with disabilities and other groups with unmet transportation needs.
- Fragmented service delivery and funding. Trying to make it easier to coordinate the services to get resources/services to the end user; and maximize the use of all types of available vehicles.
- UTA has received a letter of support from the Governor for the coordination of Human Service Transportation & Service Providers.
- Local Coordinating Councils – define what the services are, where they're coming from, and planning the service
 - Salt Lake County
 - Weber & Davis Counties
 - Utah County
- Regional Trip Planner – Through a Veterans Transportation and Living Initiative Grant. First version will be up and live on the 22nd and then will push it during the summer
- FTA Section 5310 Grant Program
 - Enhances Mobility of Seniors and Individuals with Disabilities. Provides grants for vehicles and operating assistance
- Transportation Provider Success
 - Cissy Morton Mobility Manager at Tooele County
 - Started 3 years ago with 2 volunteers and 1 vehicle
 - Today there are 17 volunteers and 4 vehicles
- Tooele's Need.....efficiency. Scheduling and Dispatch Software.

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- Retired UTA Vehicle Program
 - Salt Lake County Aging and Adult Services
 - Senior Shopping Trips – 1 day per week
 - County will provide volunteer driver
 - Utilize shared vehicle
 - Vehicle is available for other agencies on other days
 - LSI Business Development Inc.
 - LSI operates DWS service in Davis and Weber counties for low income
 - Utilize vans 5 days per week
- Future Goals
 - Launch phase 2 of One-Click website
 - Establish permanent regional/state funding stream
 - Establish reimbursement voucher program for volunteer drivers
 - Establish Maintenance and Fueling program
 - Establish One-Call information/referral center
 - Establish roadmap for non-profit organization to house One-Click/Call center as center piece for mobility coordination
 - Expand Travel Training
- Coordination success
 - Deputy Chief Fred Ross – SLPD, Metro Support Bureau Job a Day Initiative
- How can you help?
 - Identify what is going on in your community
 - Attend local coordinating councils
 - Become an advocate and take the information out to your areas

APTA Rail Conference Update

Todd Provost, UTA Light Rail General Manager presented.

- UTA will be hosting 2000 professionals from the transit industry from June 19th to June 25th.
- The conference will have a partnership theme and there will be five different ringed theme activities.
- The Rail Rodeo will be from June 19th to June 21st closing with an awards banquet MC'd by Mr. Benson and Andrea Packer, Vice President of Communications
- Governor Gary Herbert, Speaker of the Utah House of Representatives, Greg Hughes, and Salt Lake City Mayor Ralph Becker will be speaking at the conference
- There will be a Risk Assessment Seminar hosted by APTA from June 24th to June 26th
- All Board members are invited to be ambassadors and participate in the conference

Liaison, Conference and External Committee Reports

Mr. Allegra mentioned the following:

- UTA held a Transit Academy on May 1, 2015
- Individuals from Nashville, TN were in Utah for four days focusing on transit issues (partner theme)
- At the Governor's Economic Council UTA was recognized for its efforts on the Mountain Accord project

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Adjourn

Trustee McConkie made a motion to adjourn this meeting at 1:53 pm; Trustee Ellertson seconded the motion. Meeting adjourned.

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